

PERSONNEL/ADMINISTRATIVE AFFAIRS COMMITTEE

JUNE 6, 2016

A meeting of the Personnel/Administrative Affairs Committee was held on Monday, June 6, 2016, at 7:00 p.m. in the Aldermanic Chamber.

Chairman Benjamin M. Clemons presided.

Members of the Committee present: Alderman-at-Large David W. Deane, Vice Chair
Alderman Tom Lopez
Alderman June M. Caron

Members not in Attendance: Alderman LeBrun

PUBLIC COMMENT - None

INTERVIEWS

Business & Industrial Development Authority

Kim Reagan (New Appointment)

For a Term to Expire: May 1, 2019

COMMUNICATIONS

From: Larry Budreau, Human Resources Director

Re: Merit Plan Amendments – Draft of HR Department Views

**MOTION BY ALDERMAN CLEMONS TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

From: John L. Griffin, CFO

Re: Amendments to Proposed Merit Employee Rules and Regulations

**MOTION BY ALDERMAN CLEMONS TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

From: Personnel Advisory Board

Re: Amendments to Merit Employee Rules and Regulations Effective July 1, 2016

**MOTION BY ALDERMAN CLEMONS TO ACCEPT AND PLACE ON FILE
MOTION CARRIED**

TABLED IN COMMITTEE

**MOTION BY ALDERMAN DEANE TO TAKE FROM THE TABLE O-16-010
MOTION CARRIED**

O-16-010

Endorser: Alderman-at-Large David W. Deane

**ADOPTION OF AMENDMENTS TO MERIT EMPLOYEE RULES AND REGULATIONS EFFECTIVE
JULY 1, 2016**

MOTION BY ALDERMAN DEANE TO AMEND O-16-010

ON THE QUESTION

Alderman Deane

I did talk to the Mayor's office. Mrs. Kleiner, did you ever talk to the Personnel Advisory Board members?

Mrs. Kleiner

I have.

Alderman Deane

There was a misunderstanding between myself and the Legal Department about this. What we had looked at the grid and I had talked to the three newly appointed members about looking at the sick and vacation time and how that was doled out. I was unaware of what the rest of what was sent down that was from the previous administration that was made part of the legislation, some of it I agree with and some of it I don't. I also got a memorandum from Mr. Griffin and Mr. Budreau.

Let me explain something to you about the merit plan, the life and times of our Merit Plan; the life and times and the abuse of our Merit Plan and compression issues with our Merit Plan as well as people circumventing everything under the sun like placing a high ranking fire department official on the dive team.

Chairman Clemons

Alderman Deane, if we would make a motion first just for discussion purposes.

Alderman Deane

I'm not done yet, I don't have a motion to make yet.

Chairman Clemons

There's nothing on the table right now.

MOTION BY ALDERMAN DEANE TO INDEFINITELY POSTPONE O-16-010

ON THE QUESTION

Alderman Deane

I want to try to correct the grid. I agree with your position on the 2%; I know that it's going to require 10 votes. I agree with Mr. Budreau's communication about how it's high time that this plan be looked at and the administration and Human Resources take a hard look at the compression and salary issues. What are we attracting in the way of applicants and what are we losing out on and that's something that is well beyond anybody on this Board's purview to be doing. I think that's something that should be done internally, although it's set up by ordinance we have professionals on staff like yourself and we also have the three newly appointed members of the Personnel Advisory Board that have a welcome knowledge which they can contribute to the process as well. I see 69 people that are off the grid, I see compression issues with people creeping up from behind and senior management is carrying much more responsibility than those underneath them and not making that much more in the way of salary. We had a problem with that with the fire department a number of years ago where everyone was getting stipends

for everything and that's how they were dealing with the compression issue. We managed to get people back on the grid. Right now, even if we get the proposed 6 steps in the grid and I looked at changing the bottom but the next thing you know it would have been implied that there was a grassy knoll theory or something. There's nobody on the bottom anymore because the system is so antiquated. From a political standpoint if you take that away then something is up; it's just a matter of trust. I talked to the attorney upstairs and I said why don't you just leave that along so that doesn't even come to the surface.

I wanted to add the 6 steps and even when we did that there is still one employee that is still off the grid which is a problem. We should be able to corral everyone on the grid and get away from this compression problem. At the end of the day everybody has to work together and everybody is after the same goal hopefully and people have to be compensated fairly. In my time on the Board this plan has never been looked at, we've made adjustments to the grid but even when you look at the current grid now the way it works is it skewed in spots and it makes no sense. I know that there were some people who were not happy with some of the proposed amendments. I'd like to look at the 1947100 account that we have for it to change the operating budget and take the suggestion of the Personnel Advisory Board of the 2% increase for those and then sit down with however the Mayor wants to structure his work crew with Mr. Budreau and the Personnel Advisory Board and take a comprehensive look at the plan. I was trying to address the compression issue because it gets worse every year. I wanted to amend this to reflect a transfer but I need to get that into all of the different departments but that would have to be in the new operating budget and it would be in for this year's operating budget going forward, there would not be any retro in past operating budgets. I appreciate what you did and I did speak with Mrs. Kleiner on the phone last Thursday or Friday about it when I got a memo opinion from Mr. Griffin and Mr. Budreau. I looked at the legislation and I looked at the grid and I said oh, there's a little misunderstanding between myself and Attorney Clarke but that's not a big deal.

Alderman Clemons

I would like to have the Personnel Advisory Board go through the memorandum that we just accepted step by step and just kind of expound upon your recommendations and changes. I agree with Alderman Deane that this legislation needs to be looked at in a very comprehensive manner.

Ms. Carol Baldwin

This is 2016 and the workforce is a critical component to making the city run well and employees should be well compensated. We need to be flexible with employees and we can't be punitive and we found some of this language punitive so once we realized we were on the same page it really wasn't all that hard for us to come to a consensus on these points.

1. The variations from the standard schedule. It seemed to us that if you want to change your schedule you seem to have to go up two or three layers and we didn't see that to be necessary. We think that if you report to someone then that person should have the authority to adjust your schedule as required.
2. Buddy punching is really interesting to us because it's no longer about punching in but it's about recording your time so that you are properly paid. Our thinking was, say for instance, that Mayor Donchess sends Kim Kleiner to Concord for something, we don't see that Kim would have to come in and actually physically be at her computer to be paid for the time she has spent working for the Mayor. There ought to be a little more trust in that situation. If it requires another employee to do it at that computer then that doesn't seem right either, it seems like the Krono's system could be adjusted.

Ms. Shelia Cabot

3. We are living in a social media day and everybody has a device era and usually the electronics give you a portal to go into so electronically they would know it is Shelia

Cabot who is sending that message. That whole punching in is really not necessary, it's done differently.

Ms. Carol Baldwin

4. The personnel file, we thought that was a no brainer; it's a good idea to track who has been in and out of personnel files.
5. The issue about city property, we felt that was redundant and already stated.

Ms. Cabot

6. We found that the desire was to be eligible for a salary increase with an annual lump sum payment. What happens in a compensation system is that you benchmark jobs, you do surveys, you make sure that you are in the same range for your key jobs and then you build your compensation structure off of that and you do it every year or every other year. The idea of freezing somebody's salary by giving them a lump sum, where are they going to go next? We were given a list of 35 people that were being affected starting with grade 17 and up. It's not going to help to extend the grid because you will just run into the same problem again unless you do the fundamental work so this language did not seem at all to be workable, even without knowing the background that you know. We are saying let's do the appropriate thing and if it were me, I would say let's tell the employees we have compression and let them know we are doing the survey; that builds the trust before you make the changes.
7. We are recommending not having the ROTH IRA because you don't even have it.

Ms. Michelle O'Malley

8. Worker's Compensation; as you can see we recommended that it goes in line with the current year of 2016 that our position is that we do accrue and we are paid out and we recommend that as stated.
9. For the personal days, we compared the Merit Plan and the union and we do believe that personal days should be paid out. We recommend striking sentence #2.
10. Again, recommending as stated, referring to the Federal Act for Additional Details related to military service so FMLA; we were thinking about working mothers and how that applies to family life; we all agree pretty consistently with that.

Ms. Carol Baldwin

11. We are assuming that this came right out of the benefits document. When employees are eligible for benefits. We thought that this was clearer language. I got a kick out of that because my husband and I worked at the same company for 10 years and we didn't have a birthday rule we just looked at who was making more money and it came out of that paycheck. We were able to make that decision, it wasn't a company rule.
12. Dental Insurance, again we felt that the language was clearer on the recommendation that Larry made and it probably comes out of the original benefits document.
13. LTD, we were surprised that it was offered to part-time employees. We try to go with what is industry standard.

Chairman Clemons

Are there currently any part-time employees out on disability?

Mr. Budreau

I am 99% sure that the answer is no.

14. STD, I believe that was to add STD on a voluntary basis. I think that too is a very good idea. It's not a whole lot of money to give an employee some coverage should they...most people don't have to go out on an LTD but they might go out on STD for surgery or something and it's nice to know that they can have a little bit of income when they are out.

Ms. Cabot

15. The Merit Sick Leave Bank was of an interesting nature to us. From what we know, recommended as stated.
16. FSA, increasing the annual deduction, etc. According to federal guidelines, recommended as stated.
17. On the retirement system, changing the employee's recorded contribution; well, since it's already assessed that seemed to be clearer language and we recommend that clearer language.

Chairman Clemons

Did you see anything outside of this Merit Plan of the changes proposed?

Ms. Carol Baldwin

We were thinking that something has to be done this year but we were thinking that we would rather not kick the can down the road and we all firmly believe that a compensation study could be done next year.

Chairman Clemons

I am in agreement with Alderman Deane, I think that's the thing that needs to be resolved first but I was very impressed with the recommendations that were in there.

Alderman Lopez

I got some feedback over the weekend. I was at the Summer Fun Festival and a constituent from Ward 3 asked me some pretty sophisticated and specific questions about the budget. I understand that part of the compensation system that we set has to take into account the possibility of losing an employee of the city to other neighboring communities. It was pointed out that the majority of the city's budget basically goes towards personnel expenses. Having supplies and equipment but not having qualified people to operate it seems counterintuitive. Along those lines I am very grateful that you took the difficult step of actually looking at the whole system rather than just adding a patch on it. The compression issues, what kinds of positions are most vulnerable to this and where are they most likely to go in order to support the reason for making these changes?

Ms. Cabot

When you say fix it now do you mean July 1st?

Alderman Lopez

Yes, the work that you are doing in reviewing the system and trying to find language that is unclear or practices that are not relevant.

Mr. Budreau

When I read the Personnel Advisory Board's introductory letter there was a line that said "what rather should receive the same percentage increase likely 2% that all merit employees will be receiving." That means something different than granting a 2% increase which is in this spreadsheet so all of the people who are on the grid are going to get a prescribed increase and those average 2.9%. The letter would have me believe that you are suggesting that people who are off the grid will get the same average increase of 2.9% because it says "should receive the same percentage increase, likely 2%; that all merit employees will be receiving and the spreadsheet says 2%.

Ms. Cabot

The research that we did across the nation which took in municipalities and private organizations clearly show that over the last several years we've been at 2% and the projected for this year is 2%.

Mr. Budreau

Okay so go with the spreadsheet and not the letter?

Ms. Cabot

Right.

Unidentified Speaker

I think the people who have reached the top of the grid are only eligible .9% so we felt that they should have what everybody else was having and that they should not be penalized because they reached the top of the grid.

Mr. Budreau

As I said in my opening letter and Alderman Deane mentioned this as well, this document is obsolete in my opinion and it should be re-written from top to bottom. Those things in it that are good should be stated more clearly and I think there should be many changes. I have a wealth of experience in the past decade for the fourth largest municipality in the state so I've got a good handle on looking at competitive bidding. We are low and we should be high. There is an absolute direct correlation between community size and salary; at least for the higher jobs, not so much for somebody that operates a piece of equipment because it's probably similar to operating a piece of equipment in another. But the responsibility for Community Development, for example, is handled part-time by people in some towns or one or two people in a department; correspondingly here you have a lot of functions and a lot of people. I think we need to put a fair amount of work into that to make it credible so when a full revamp comes to the Board of Aldermen there is some work done but we can't do it by July so I supported some sort of patch in my suggestion; I endorsed Alderman Deane's recommendation because I know that we need to do something but we are not in a position to do all the work that we should that quickly.

Chairman Clemons

Mr. Griffin, is there anything you would like to add to that? I would like to know adding 2% to the top or whatever the number may be, how does that effect the budget and the spending cap because

unfortunately everything is tied to that.

Mr. Griffin

Two numbers have been tossed around. The first number is \$35,000 and that was to get individuals who were off the grid onto the very next logical grid giving a 2.9% increase between steps 17 and 23. Some questions circled when I was questioned by Attorney Clark was that is that something that you want to put it now or do you want to have retroactive and I think the result was that it's too late to do it in fiscal '16 but let's try to make a one-time correction in fiscal '17. Of the \$ 8 million payroll, \$2.5 million of it is off the grid so that's \$50,000. We presented the fiscal '17 budget with \$100,000 under the spending cap so \$50,000 or half of it could be used for this plus or minus. It's not just the top levels that are off the grid, it's the mid-levels as well. Getting a more understandable and user friendly merit grid that's kind of etched in merit, kind of look at it from a minimum, mid-point, maximum, but you would need to index it from time to time as well otherwise you are not competitive and that's when you run into problems about where do you go when you are at the top. Lump sums are nice but people will seek alternate routes when that happens over a long period of time. Even if you are at the end of your career you might get to a point where you are at your last few years and you look elsewhere. I can personally say that we've had a heck of a time at different levels; not just the top but at the mid-levels attracting folks because the second thing they do in addition to the nice work they are going to have is that they look into the path to their career and if they are coming in at the second or third step before they go off the grid and then they read something like this that says we are going to give you a lump sum then it's a detriment. They need to have that unequivocally understanding that if you provide this amount of service then you are going to get that in compensation.

Chairman Clemons

I tend to agree with you, I think the cost of living increase every year is important to everybody.

Alderman Deane

There would have to be another piece of legislation brought in, I don't think you can use an ordinance for a fund transfer and those who report to the Mayor or other employer boards; the Mayor still has review power and procedure of whether increases are granted or not. It was my understanding that there were 69 people that were off the grid and they were receiving a .9% increase and this has been going on for a while. As those people were getting .9% those below them were going up a grade and steps and meanwhile a department head is still getting their .9%. That's the compression problem but when we had looked at...you can call it kicking the can down the road but to be brutally honest with you, in my time here anyway, we have not had a Personnel Advisory Board with people with your talents on it. In my time that Board dealt with complaints from employees who were fired or reprimanded. They never looked at a Merit Plan. My idea was to fix the compression issues and we should be attracting good employees. At the end of the day if you have an employee that brings some cost avoidance measure to fruition for the city then we should look at a rewards program for that. If people go above and beyond then people should be recognized for that somehow. It's like our police department, you pay those guys; we invest \$100,000 in one person before they are on the street to ready them to enforce the law on our streets. You have to pay the people or the next community is going to benefit because the educational aspect of it all have already been funded by us and now they are walking away and getting another \$5,000 a year or something. You need professionals like that for our city. I agree with Mr. Budreau that the plan is antiquated. The idea of the 2% increase, those approval rates and whatever Mr. Griffin had said in that analysis that had been done and some people have since left but that would have to be a separate piece of legislation outside of this ordinance or we could amend our Mayor's operating budget which would then require 10 votes to pass and I'm not going to do that, I would just assume wait until the budget was...I mean if they change a line item and increase it by a penny that triggers a 10 vote majority to pass the budget. My feeling is to wait until after the budget is done and deal with it then and then it would be a simple majority and then the Mayor and Mr. Budreau can take a good look at the Merit Plan

and get it cleaned up and get it to where it should be. I think we should kill this ordinance right now.

Mayor Donchess

I'd like to thank the three members of the Personnel Advisory Board for helping us out and I hope that they will continue to work with us and Mr. Budreau and Mr. Griffin to improve the merit system and pay scale that we have. I know that the people in the merit system are extremely valuable and the city government could not function without them and if you look around at what other communities pay when some of them leave that Nashua is probably low and in order to retain the valuable employees we have then a review of the personnel system and pay scale needs to be undertaken. Alderman Deane has raised the issue that pay problems exist and he is absolutely right so I'm glad that he brought this forward. I totally support all of the recommendations made by the PAB members. As far as the 2% issue, we could discuss whether it's better to try to amend the budget or try to do something next year but I think if the votes were there it's the cleanest thing to have the pay known on July 1st so that the people at issue know what they are going to be paid and there's not some process after the fact to try to figure it out. We are under the spending cap by \$100,000 and the numbers that we are talking about in terms of the adjustment which would need to be made are in the \$35,000 to \$50,000 range. I tend to think that there will be fairly broad consensus on the Board of Aldermen that this situation needs to be adjusted. I'm optimistic that we could persuade the Board of Aldermen to make what is relatively a minor adjustment in a \$250 million budget.

Alderman Lopez

I think equipment is going to be a topic that is brought up but I think having equipment is very important and having trained supervisors to assess and manage that equipment and train employees is more important. I heard Mr. Budreau say that while I understand we could potentially lose employees because we are compensating them less than similarly sized municipalities, the flip side of that is that we also might have difficulty interviewing for positions that are open which also cost the city money. I know that we have had several departments that have had to be covered by the same person repeatedly. We've had issues in the past where a person hired for a position didn't work out and we still had to pay money for them. While in previous discussions that the Board of Aldermen has had regarding the fire department and the police department I supported the argument that look, this is crisis time and we can't afford to have issues with the people who are on the front line and in another way we also need to make sure that we are not creating a crisis in the other departments in the city by ensuring that we compensate everybody appropriately. I would like to think that the Board of Aldermen would be at least open to discussing doing it by July 1st so that we can be clean and uncomplicated about how we do things.

Alderman Deane

Mr. Griffin, do you have the data associated with those who are off the grid?

Mr. Griffin

Yes.

Alderman Deane

So that would be a three digit and a five digit for each?

Mr. Griffin

By department?

Alderman Deane

Yes.

Mr. Griffin

By person by department, folks that are going off the grid in fiscal '17 and getting a .9%; we have all of that data?

Alderman Deane

So you have that readily available?

Mr. Griffin

Yes.

Alderman Deane

Because that would have to be used as an amendment for the budget.

Mr. Griffin

Correct.

Alderman Deane

I'm not on that committee but I guess the amendment could be made there or at the full Board. Can you purge that out and remove those who...like we don't have an Assessing Director?

Mayor Donchess

He was replaced with John Duhamel.

Alderman Deane

Is he making less than Angelo was making?

Mr. Griffin

Yes, he has the Chief Assessing duties but he does not have the GIS Manager duties.

Alderman Deane

How fresh are these numbers?

Mr. Griffin

The \$50,000 was an estimate of the \$2.5 million being off the grid being multiplied by 2% is \$50,000. We can get that on a per person basis so there is you and your fellow colleagues around the table are saying that we need to know with specificity what people are going to be making July 1st, I think that's important. The other thing we can do on the back end is you can find out what the number is and get the budget passed and transfer \$35,000 to \$50,000 from contingency into those different departments.

Alderman Deane

That's what I suggested earlier about bringing in a separate piece of legislation in after the budget was done and transfer from contingency into those different departments.

Mr. Griffin

I think it was one of timing, Alderman Deane, so we could have that teed up the second that budget is adopted and you could come in with a resolution.

Chairman Clemons

I think it would be appropriate for the Mayor to say if this is something he supports, which I think it is, to come in with a memorandum and legislation to do that and identify a funding source and work with Alderman Deane to do it. I don't think it's necessarily a discussion that needs to happen here.

Mayor Donchess

That's fine Mr. Chair, I just said I thought it was cleaner to do it one way rather than the other but as long as it gets done, that's the important thing. I'm sure we can come up with in pretty short order a very specific number regarding the amount that is at issue. We are only estimating this now because we are just talking about it in concept. We can come up with a totally up-to-date report as to exactly how much money is required to make the change.

Mr. Griffin

We can do that by the end of the week.

Mayor Donchess

The Board really has to decide whether it's best to move forward by amending the budget or try to do something right after the first of the year out of contingency and there is \$250,000 I believe in contingency so there is enough there to cover it.

Mr. Budreau

You had asked earlier, Mr. Chairman, if there was anything that was also crying out for help. There is and that's the merit vacation policy. You can certainly count on me to propose a comprehensive re-write of that to Mayor Donchess. I might look at it even sooner as it's really staring at me in the face as I was personally the benefactor of, as have well over a dozen or perhaps two dozen people over the years, that are awarded vacation in contractual letters with prior Mayor's and we need to legitimize that and we need to be able to be in a position to competitively attract people currently. Since there are amendments in this now I think it may be valuable for this committee and the Board of Aldermen to consider it sooner rather than later to at least get us to a somewhat competitive, perhaps three weeks to start for merit grade employees, 16 and above. You can't hire somebody for a job at that level who has got the experience behind them and say to them we'd like you to take this job but I'd like you go from your 3, 4 or 5 weeks of vacation to 2 weeks.

Chairman Clemons

I can't agree with you more. The issue that I see before us is that we have a lot of work to be done. I don't think we can do that before the beginning of the budget. I'm sure that there is a cost to that as well.

Mr. Budreau

The cost of vacations as I understand it would not require an increase in the budget because you are paying someone for 52 weeks per year one way or the other.

Alderman Caron

I agree with Alderman Deane about the budget; we are so late into the budget that if we start playing around with numbers at the end we just might not get those 10 votes. I think we should work on it and do something after July 1st. The other thing is that as someone who has been part of that merit systems for over 40 years when I worked here when it started with the Hays; I applaud you, I read this twice and I thought finally we are getting some changes. The grid is a real problem for upper management so I think if you need the time I don't have a problem postponing this and giving you the time to get it done and then next year when you are doing your budgets you have those numbers. Those people that are off the grid, stipends are not something that we should be giving them, it doesn't really tell them that they are doing the job that they should be doing. It's not fair to them. My only question would be that you would hopefully be utilizing and asking questions and surveying those people who are on that grid. I know it's a lot of work and I look at this buddy system and I go ah ha; I remember when it was a piece of paper that I had to sign for everybody to show how many hours they worked. I'm all for it.

MOTION CARRIED

APPLICATION TO LICENSE HAWKER'S, PEDDLER'S, ITINERANT VENDOR'S LICENSE - None

INTERVIEWS

Business & Industrial Development Authority

Kim Reagan (New Appointment)

For a Term to Expire: May 1, 2019

Mayor Donchess

I'm pleased to be presenting you with Kim Reagan as a member of the Business & Industrial Development Authority. Ms. Reagan works for RJ Finlay and has been working for them for six years. For those who don't know, they own the former Fleet, former Indian Head pink palace building at 30 Temple Street. Before that, she was in real estate. Ms. Reagan has been a virtual economic development engineer on her own serving RJ Finlay. When they bought the building a few years ago, that building had virtually no one in it. Ms. Reagan and RJ Finlay have been working and she's the onsite active person to recruit companies and businesses to that location. They have been extremely successful in doing so. Acuma is there, a software high tech company. Recently, I went to the grand opening of Persistent Systems which is located in that building now. That's a large India based high tech company that has its eastern location now in Nashua at that location including 30-35, but going up to, they think 60-80 people. Triangle Credit has now located on the building. That's not relocation like some of these others, but still certainly a good step for the downtown. Ms. Reagan brings that wealth of experience to the position. In addition to that, she's very outgoing, knows a lot of people in the city. Therefore, I think she's a very qualified, a very excellent nominee for the Business & Industrial Development Authority.

Ms. Kim Reagan

I have been in New Hampshire for 26 years and here in the community with RJ Finlay for the last six years. It's not really my first time being part of a Nashua community. Over the years, I have served as an ambassador on most of the local chamber of commerce throughout the state, Nashua being one, Manchester and Concord. I currently sit on the Board of Directors for the Nashua Chamber of

Commerce. Being with RJ Finlay and as Mayor Donchess has mentioned the building, when we bought the building, it was 12 percent occupied. We are at 95 percent occupied today. It's a lot of hard work to get there. We feel we have attracted some very encouraging businesses to the downtown. When I came to Nashua in 1990, when I came to New Hampshire, Nashua was the city. It was the city to be in, to be in downtown, to be part of business. We had one of the most booming chambers around. The city was booming and everything was great. Manchester was the one that needed the help. If you look at that picture, the tables have completely turned. But I truly believe that it's Nashua's time again. People are showing interest in downtown. They are showing interest in Nashua. It's time for it to shine again and rebuild. I believe it can be done.

Alderman Lopez

Nashua Arts Association and Seedling Café and also, I believe, a research office is in that building at well. I particularly like that kind of intellectual flexibility and seeing different kinds of businesses. I just want to commend you for that. I think it's an important element to the downtown vibrancy to be looking at different kinds of businesses and different kinds of industries instead of going to the same markets, industries, types of businesses. I think that speaks highly and is going to be a benefit on BIDA.

Chairman Clemons

Thank you very much for your time this evening. We are going to take up your appointment in a minute or two.

APPLICATION TO LICENSE HAWKER'S, PEDDLER'S, ITINERANT VENDOR'S LICENSE - None

APPOINTMENTS BY THE MAYOR

Business & Industrial Development Authority

MOTION BY ALDERMAN CARON TO RECOMMEND THE CONFIRMATION OF THE APPOINTMENT OF KIM REAGAN TO THE BUSINESS & INDUSTRIAL DEVELOPMENT AUTHORITY FOR A TERM TO EXPIRE MAY 1, 2019
MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-16-036

Endorsers: Mayor Jim Donchess
Alderman-at-Large Lori Wilshire
Alderman June M. Caron
Alderman-at-Large Mark S. Cookson
Alderman Tom Lopez
Alderman-at-Large Michael B. O'Brien, Sr.
Alderdwoman Mary Ann Melizzi-Golja

UPDATING THE FINANCIAL STANDARDS FOR THE CITY'S WELFARE GUIDELINES

MOTION BY ALDERMAN CLEMONS TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Mayor Donchess

We have Mr. Mack, the welfare officer, here if you have any questions.

Chairman Clemons

Thank you.

Mr. Mack

You have in front of you a resolution to update the financial standards for the welfare office for the City of Nashua. This is mandated in the statute. It needs to be updated on a fairly regular basis as determined by the welfare officer and approved by the Mayor and the Board of Aldermen. In looking at various statistics, we look at the rental cost survey from the NH Housing Finance Authority to determine what the fair market rents are in our city and in doing that we propose these increases. They raise from \$35/month to a couple dollars a month increase on various apartments of various sizes. We also utilize the US Department of Agriculture food allowance standards which they propose. We also look at the CPI to determine any sort of percentage increase for the consumer price index rate percentage increase on basic expenses for personal care items and costs of goods and services.

Alderman Deane

How much is this going to cost?

Mr. Mack

We consider these standards when we came up with the budget figures for the general assistance for the 2017 budget. The proposed amount is \$622,379 for general assistance.

Alderman Deane

What is the increase associated with this resolution?

Mr. Mack

I would say a majority of the increase is coming in the shelter line, the rental line.

Alderman Deane

If we did nothing, what would the proposed budget would have been?

Mr. Mack

If you don't increase these numbers, we could have probably come in at about 8 percent less. We're seeing about an 8 percent increase in the cost of living.

Alderman Deane

What are you anticipating for surplus?

Mr. Mack

This year it is around \$100,000.

Alderman Deane

What was your increase over last year?

Mr. Mack

Last year's increase, I think we just had a slight increase. I don't have the exact number with me.

Alderman Deane

It should be in your budget book as prior year.

Mr. Mack

Let's see. 2016, was \$663,750. We have a decrease for 2017 because of some of the legislation that was passed at the state level regarding Medicaid expansion. Our medical line was reduced, but our shelter line, there's a proposed increase there.

Alderman Deane

The way the resolution reads, if you were to provide shelter at a cost that's above what these numbers are in here, you couldn't utilize that facility? You couldn't utilize some of these facilities if the cost was greater than what's stated here?

Mr. Mack

The facilities are basically rental units throughout the city. These are payments made to landlords. If we can't assist people at the fair market rent, they are more likely to lose their housing and be evicted.

Alderman Deane

But you're not allowed to increase the set rate that you currently have now?

Mr. Mack

That's what we're looking to do, to increase the rental allowance so our Cap amounts are higher than they are currently so they are more in line with the fair market rent.

Alderman Deane

So those facilities that offer this type of housing can look and see what you will pay them and that is what they will charge you.

Mr. Mack

The determination of what we assist with is based on other factors. It's based on household income.

Alderman Deane

I'm saying to the landlord themselves.

Mr. Mack

We don't say we're paying this cap amount of rent to everyone who comes in that applies for assistance.

We're doing it as a budget determination as far as what they can afford. Often times we'll see someone come in that's in an apartment that's \$800/month. Our cap rent is only \$650/month. If they have very limited income, we can't pay more than \$650 to assist them.

Chairman Clemons

You don't shop for the apartments for these folks or do you?

Mr. Mack

We do not shop for the apartments. No.

Alderman Caron

Can you tell us what your rates are at this point in time for let's say a one-bedroom? Are you looking at \$243/week, \$1,000/month? What is it now?

Mr. Mack

The current standards are \$949/month or around \$220/week. That's a unit with all utilities included. The larger units, interestingly enough, haven't seen as large as an increase in the rent. It's the two-bedroom and three-bedroom that have the larger percentage increase of the rent. With the vacancy rate creeping down, that also has a factor in driving up the rents.

MOTION CARRIED

NEW BUSINESS – ORDINANCES

O-16-012

Endorser: Mayor Jim Donchess

**MOVING PARKING OVERSIGHT AND MANAGEMENT FROM THE TRANSPORTATION
DEPARTMENT IN THE COMMUNITY DEVELOPMENT DIVISION TO THE OFFICE OF
ECONOMIC DEVELOPMENT IN THE MAYOR'S OFFICE**

MOTION BY ALDERMAN CLEMONS TO RECOMMEND FINAL PASSAGE OF O-16-012

ON THE QUESTION

Chairman Clemons

Why don't you walk us through O-16-012.

Ms. Sarah Marchant, Community Development Director

Certainly, it's pretty short and sweet in that we're looking to move parking and all of its functions from Community Development and from a subset of the Transportation Department into Economic Development. The Mayor has a concerted effort to bring downtown and economic development office together. Parking is highly focused around the downtown businesses, the downtown patrons. Also most of the revenue and the excess revenue goes to the Downtown Improvement Committee, so it makes sense to align those resources through that one office and consolidate it.

Alderman Deane

This makes no sense to me at all. I don't get it. I thought economic development... now we're down into the weeds with parking meters and parking enforcement? That sounds like something that should be done by public works outside of economic development.

Ms. Marchant

Parking enforcement is done through the police department.

Alderman Deane

I understand that, director.

Ms. Marchant

The actual parking department, the functions of the pay stations and the meters, much of that evolves around downtown events and downtown business needs. It makes sense to align those two closely especially with the downtown specialist position in the Mayor's Office.

Alderman Deane

I'm not going to support this. I think it isn't a good idea, just my opinion. Can you provide me with some data that backs up all of this, these changes?

Ms. Marchant

Is there something specific you are looking for?

Alderman Deane

I'd like to understand your rationale of thinking, director. That's what I would like to understand. It just seems like this function is basically you're dealing with parking spots and parking meters, right? I don't think it should be under community development either. You're out painting crosswalks. I don't understand some of the stuff that's going on here. I really don't.

Chairman Clemons

Mayor Donchess, maybe you can add something.

Mayor Donchess

This is something that Ms. Marchant came to me with a few weeks ago. The point of the change is first of all the parking function basically reports to me as the Mayor in the sense that they are part of the transportation department which reports to the community development director who reports to me and so does the economic development director. The reason for the change is that as we have seen over the past few years, especially as we develop the plan for the investment of revenue more than \$728,000 from the meters into the downtown, as we've seen relative to the changes that were made in the parking system, much of that was done in an effort to support and strengthen downtown business and to make the parking meters and the parking function help support the life and activity and success of downtown. There are other changes that we, I think, should consider over time regarding the meters: the timing of the meter. Right now we have three different zones. Many people have commented that there should be two zones because some patrons are sort of confused by the multiplicity of places and systems. Maybe there should be just Main Street with one price and then off Main Street is another. Whether that's the

best idea, I don't know but people have proposed it. Secondly people have proposed that the seven o'clock starting time should be rolled back to six. It would reduce revenue, but on the other hand might respond to complaints of people that they want to eat at a restaurant downtown and don't want to feed the meter if they show up at 5:30 p.m. or 5:00 p.m. The other example would be the management of the parking garages. We have parking garages that are essentially excess capacity. They are not used to their fullest extent. If you go to the Elm Street parking garage during any day of the week, even though that garage has been there since 1985, for 30 years, the top floor is still not used. I think the Water Street parking garage is used to a greater degree, but still underutilized. We need to look at the management of those garages because I think the excess parking capacity can be used to potentially stimulate and support downtown development of housing and other uses. It just seems to make sense that for the people who are managing the parking, who know most about it, to report to those who are thinking about economic development. In this case the economic development director, Mr. Cummings. They are working together now. In a way, we are just recognizing a reality. The manager of the parking system now is working with the economic department. She's been out on leave for a couple of months with neck surgery, but she is now back. They are working closing together to try to take sure parking serves the needs of the downtown business community and residents. For that reason, I support the change. The people are going to work together regardless of who reports to whom and why not streamline this thing and recognize reality. This is what is happening. This is I think the way the downtown works the best. That's the reason for the proposal.

Chairman Clemons

I would agree with you, Mayor. We made a decision year's ago to take parking meter revenue and put it towards downtown improvements. We've had success with that. You can see the success on Main Street. To have a position that is under the economic development makes sense because you want to make sure that you are maximizing the revenues that we are receiving from parking, and you want to do it in a way that enhances the economic development of downtown: potential investors, things like that. Parking is no longer a bunch of meters where people are putting quarters in to go to the bank for a few minutes. Cities are utilizing them as a way to enhance the vibrancy of the city. I think there have been a lot of studies done about this and I think Nashua was ahead of the game as far as being one of the first cities to really do that. I think we're the only city in New Hampshire that does it. I think this is just an obvious next step.

Alderman Lopez

I rode the trolley over the weekend. It was really fun, and I enjoyed it. I walk past the dragon and other sculptures all the time which is all coming out indirectly, one way or the other, the parking revenue. I would also say the most consistent feedback I get from any of the businesses downtown is the time of the parking and the duration and the expense is one of the biggest factors that influences when people are going to their businesses, how much time they are spending, how much money they are spending. While I appreciate the revenue that is being generated and the way it is being allocated, I think the collection of it and the strategy of that is very important. Moving it from community development to economic development, kind of makes sense to me because this is something that should be linked to other efforts. The parking zones and the parking policies, that shouldn't be happening independently of all the other economic development happening downtown. I think this makes sense in terms of a conceptual organization.

Alderman Deane

The parking department, there are employees that exist. If it went to public works, the employees would go over. Obviously it's not going to happen because it appears that everybody is happy with things the way they are with this proposed change. The economic development director is going to be dealing with the day-to-day flat tires, blown transmission, we're out of paint, we need this; we need that. That's what the economic development director is going to be doing with this?

Mayor Donchess

I think that the parking function is a lot broader than that. The person who is in charge of parking now believes, and I think correctly, that the whole parking system can be managed more effectively and in some of the ways that I discussed there are other...

Alderman Deane

Who is that person?

Mayor Donchess

Her name is Jill Stansfield. She has been with the parking function for a long time and I think she proposed some ideas that might make sense and why not cause the people who are really working on the same problems to work together. Take the example of another complaint that comes in a lot which is people are confused about where to park. One of the underlying causes is that we have not had directional signs to the garages which we are remedying in the short-term. For those of us who know all of the lots it's not a problem but there are a lot of people who don't really understand the system of parking so one thing that we are thinking about is to try and propose a parking loop that would be designated where people can circulate on Factory Street/Temple Street down to the Pearl Street Oval and if they drive on that oval they can drive by or be within one block of a parking garage and many lots and metered parking. In an effort such as that it makes sense for the people who supervise parking to be working with the Economic Development Department to devise a system that can be clear and work better for everyone; the businesses and the patrons. It's not really because of the flat tire issue, it's because of the desirability in my mind of having everyone work together consistently as a team; parking, economic development together to strengthen downtown.

Mr. Tim Cummings, Economic Development Director

This is a best practice actually that is occurring across the country and by no means would Nashua be on the cutting edge of what we've actually followed the lead of what is happening in other areas. It's the synergy and the synergy that would come about from this because we would be leveraging an asset to the betterment of the neighborhood and this is just a classic neighborhood revitalization strategy. I definitely think that this is something that should be pursued and I would look forward to welcome the opportunity.

Alderman Caron

I too was a little skeptical about this but after listening to the comments and your ideas, I think it's something we should probably do and like anything else, if it doesn't work we can always change it so I will vote to approve this.

MOTION CARRIED

DISCUSSION - None

REMARKS BY THE ALDERMEN

Alderman Lopez

I did ride the trolley around and I wanted to announce to the public that you can get on the trolley Friday and Saturday evenings and you can pretty much just wave and the guy will pull over and it's free and very easy to get from different places and it was surprisingly handy and fun to ride along. It's a pilot program and will only be around for the summer so give it a try and see if you enjoy it.

Alderman Caron

I just wanted to say that I think the work that the Personnel Advisory Board and the Human Resources Department are going to do on the Merit Plan is great. We should be looking at it so that it is done periodically; whether it's 3 or 5 years out and not waiting 10 or 15 years out so I think this is a great idea.

POSSIBLE NON-PUBLIC SESSION

ADJOURNMENT

MOTION BY ALDERMAN CARON TO ADJOURN
MOTION CARRIED

The meeting was declared closed at 8:30 p.m.

Alderman Don LeBrun
Committee Clerk